

## SENATE BILL No. 348

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-35.

**Synopsis:** Renewable energy resources. Requires an electricity supplier to: (1) supply a certain percentage of its total electricity supply from renewable energy resources; and (2) include certain information concerning renewable energy resources in customers' bills. Establishes the renewable energy resources fund. Requires an electricity supplier that fails to supply electricity from renewable energy resources to pay a penalty. Deposits the penalties in the fund.

**Effective:** July 1, 2007.

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January 11, 2007, read first time and referred to Committee on Utilities & Regulatory Affairs.

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First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

## SENATE BILL No. 348

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 8-1-35 IS ADDED TO THE INDIANA CODE AS  
2       A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3       1, 2007]:

4       **Chapter 35. Renewable Energy Development**

5       **Sec. 1.** As used in this chapter, "electricity supplier" has the  
6       meaning set forth in IC 8-1-2.3-2.

7       **Sec. 2.** As used in this chapter, "fund" refers to the renewable  
8       energy resources fund established by section 5 of this chapter.

9       **Sec. 3. (a)** As used in this chapter, "renewable energy resources"  
10      includes the following sources for the production of electricity:

11       (1) Dedicated crops grown for energy production.

12       (2) Organic waste biomass.

13       (3) Methane recovered from landfills.

14       (4) Hydropower, other than hydropower involving the  
15       construction of new dams or the significant expansion of  
16       existing dams.

17       (5) Solar photovoltaic cells and panels.



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(6) Fuel cells that directly convert chemical energy in a hydrogen rich fuel into electricity.

(7) Heat and water without combustion.

(8) Wind.

(9) Other similar sources as determined by the commission.

(b) The term does not include energy from the incineration, burning, or heating of the following:

(1) Tires.

(2) Garbage.

(3) General household, institutional, or commercial waste.

(4) Industrial lunchroom or office waste.

(5) Landscape waste.

(6) Construction or demolition debris.

Sec. 4. (a) Each electricity supplier shall supply electricity generated by renewable energy resources to Indiana customers as a percentage of the total electricity supplied by the electricity supplier to Indiana customers as follows:

(1) In 2009, at least two percent (2%).

(2) In 2010, at least three percent (3%).

(3) In 2011, at least four percent (4%).

(4) In 2012, at least five percent (5%).

(5) In 2013, at least six percent (6%).

(6) In 2014, at least seven percent (7%).

(7) In 2015, at least eight percent (8%).

(8) In 2016, at least nine percent (9%).

(9) In 2017 and thereafter, at least ten percent (10%).

For purposes of this subsection, electricity is measured in megawatt hours.

(b) Of the electricity generated by renewable energy resources under subsection (a), the following percentages must be supplied from electricity produced from solar photovoltaic cells and panels:

(1) In 2009 through 2012, thirteen ten-thousandths of one percent (0.0013%).

(2) In 2013 and thereafter, two hundred three ten-thousandths of one percent (0.0203%).

(c) For purposes of this section, renewable energy resources must be generated in:

(1) an Indiana facility; or

(2) an area that is:

(A) adjacent to Indiana; and

(B) designated a serious or severe ozone nonattainment area by the United States Environmental Protection

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(d) An electricity supplier that fails to comply with subsection (a) or (b) shall deposit in the fund established by section 5 of this chapter an amount equal to:

(1) the number of megawatt hours of electricity that the electricity supplier was required to but failed to supply under subsections (a) and (b); multiplied by

(2) fifty dollars (\$50).

(e) An electricity supplier is not required to comply with subsection (a) or (b) if the commission determines that the electricity supplier has demonstrated that:

(1) renewable energy resources are not available to the electricity supplier in sufficient quantities to allow the electricity supplier to comply with subsections (a) and (b); or

(2) the cost of renewable energy resources exceeds five hundred percent (500%) of the average cost of fuel used by the electricity supplier to generate electricity during the immediately preceding calendar year.

The commission shall conduct a public hearing to make a determination under this subsection. If the commission determines that adequate renewable energy resources are not available or that the cost of the renewable energy resources exceed five hundred percent (500%) of the average cost of fuel used by the electricity supplier to generate electricity during the immediately preceding calendar year, the commission shall reduce the affected electricity supplier's obligations under subsections (a) and (b) as appropriate.

Sec. 5. (a) The renewable energy resources fund is established to support the development, construction, and utilization of renewable energy resources in Indiana.

(b) The fund consists of the following:

(1) Money deposited under section 4(d) of this chapter.

(2) Money from any other source that is deposited in the fund.

(c) The Indiana economic development corporation shall administer the fund.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

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1        **Sec. 6. (a) Not less often than quarterly, an electricity supplier**  
 2        **shall include the following information in each customer's bill:**

3        **(1) The percentage of the total electricity supplied by the**  
 4        **electricity supplier from each of the following sources:**

5        **(A) Biomass power.**

6        **(B) Coal fired power.**

7        **(C) Hydropower.**

8        **(D) Natural gas fired power.**

9        **(E) Nuclear power.**

10       **(F) Oil fired power.**

11       **(G) Solar power.**

12       **(H) Wind power.**

13       **(I) Other sources.**

14       **(2) A pie chart depicting the information described in**  
 15       **subdivision (1).**

16       **(3) A chart that sets forth the amount of:**

17       **(A) carbon dioxide emissions;**

18       **(B) nitrogen oxide emissions;**

19       **(C) sulfur dioxide emissions; and**

20       **(D) nuclear waste;**

21       **produced by each energy source listed in subdivision (1).**

22       **(b) The commission shall publish the information provided**  
 23       **under subsection (a) on the commission's web site.**

24       **Sec. 7. Beginning in 2009, and not later than March 1 of each**  
 25       **year, a utility shall file with the commission a report of the utility's**  
 26       **compliance with this chapter for the preceding calendar year.**

27       **Sec. 8. The commission shall adopt rules under IC 4-22-2 to**  
 28       **implement this chapter, including a rule to determine the format**  
 29       **of a chart under section 6(a)(3) of this chapter.**

30       **SECTION 2. [EFFECTIVE JULY 1, 2007] Not later than April 1,**  
 31       **2012, the Indiana utility regulatory commission shall submit a**  
 32       **report in an electronic format under IC 5-14-6 to the general**  
 33       **assembly. A report submitted under this SECTION must include:**

34       **(1) an analysis of; and**

35       **(2) any legislative proposals the commission feels would**  
 36       **increase;**

37       **the effectiveness of and industry compliance with IC 8-1-35, as**  
 38       **added by this act.**

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